CONTROL ENVIRONMENT ASSESSMENT (BASED ON THE COSO INTERNAL CONTROL – INTEGRATED FRAMEWORK)

1. CONTROL ENVIRONMENT		
Description	Current Assessment	Further Actions Planned
Appropriate governance structure	Overall, The City has a strong control environment. The City has an appropriate governance structure in place from Council, Audit Committee through to senior management. Council has periodic governance reviews, which contribute to ensuring that it monitors the most important issues at The City and that Administration is accountable to Council.	
	The Audit Committee has implemented best practices, including periodic reports on risk management, control framework, internal audit, and code of conduct. In 2013, revisions and updates were made to the Audit Committee orientation material. In October 2013, the Audit Committee composition changed from 5 Councillors to 4 with an increase in independent citizens from 2 to 3.	The Whistle-Blower Program is being reviewed. New performance evaluations for the External Auditor and Audit Committee are being considered.
	Council has a Legislative Review Committee to review matters of governance. At Budget Adjustments in 2013, ongoing funding for the Corporate Secretariat was approved by Council. At a Strategic Session of Council on Wholly-Owned Subsidiaries on 2013 February 04, Council directed Calgary Housing and Calgary Parking Authority be reviewed. Council received reports for these governance reviews and provided direction to Administration.	In 2014, The Corporate Secretariat is planning to carry out one “Mandate Review” for a Wholly-Owned Subsidiary.
	Council updated and approved a new Terms of Reference for the Audit Committee. A bylaw was passed in November 2012, bringing the new terms of reference into force upon the 2013 civic election.	Audit Committee will continue to review the Audit Committee bylaw and recommend changes as appropriate.
	The City Auditor's Office, which is fully independent of Administration and reports directly to the Audit Committee, audits areas of The City's operations included in the annual plan approved by Audit Committee. In 2013, the City Auditor’s Office closed 77 of the 110 outstanding recommendations due on or before April 30, 2013.	Management will continue to receive and respond to reports from the City Auditor's office and to track and implement all appropriate recommendations.

1. CONTROL ENVIRONMENT		
Description	Current Assessment	Further Actions Planned
	Civic employees and elected officials qualify to belong to one or more multi-employer pension plans, defined-benefit pension plans and other retirement benefit plans provided by The City. In accordance with the Pension Governance Committee Terms of Reference, the Pension Governance Committee reports annually to the Priorities and Finance Committee (PFC) through the City Manager on pension governance activities at The City. The annual reporting includes a report on unfunded pension liabilities and The City's contingency plans to address them. The 2012 pension governance activities report went to PFC in July 2013 and was presented to Council for information in July 2013. Proposed changes to LAPP and SFPP were announced by the Government of Alberta on February 24, 2014. The proposed changes will affect benefits earned from January 1, 2016 onward. To the extent these or other changes in the regulatory and legal environment transpire, there may be financial impacts in future years to The City for these multi-employer plans as well as The City sponsored pension plans. In 2013, The City formed a project team reporting to the Administrative Leadership Team to assess the implications of the LAPP and SFPP pension reform proposal and respond to the Government of Alberta by the end of the year. Unfunded liabilities are being addressed by raising employee and employer contribution rates. The City includes provision for the employer contribution rates in its budget plans.	The City will continue to participate in the Government's pension reform process and assess the financial impact to The City. A review of The City sponsored plans will be performed to address the impacts of the LAPP and SFPP pension reform on The City's plans. The 2013 pension governance activities report will be presented to PFC and Council in July 2014. The City continues to monitor unfunded pension liabilities. For City sponsored plans, The City has developed a plan to fully fund these obligations.
	The City has a formal information technology governance model in place. The Chief Information Technology Officer works with the Administrative Leadership Team (ALT) and the Corporate Technology Committee (CTC) to set and implement corporate information technology strategies and standards. The CTC reviews and approves large corporate information technology projects from $500,000 to $5 million with projects greater than $5 million going to ALT for approval.	The information technology governance model is currently being revised in accordance with recommendations from the City Auditor's Technology Investment Governance Audit.

1. CONTROL ENVIRONMENT		
Description	Current Assessment	Further Actions Planned
	On June 20, 2013 the City of Calgary experienced a major flood event that caused significant damage to The City's Tangible Capital Assets ("TCA"). Due to this emergency, a State of Local Emergency (SOLE) was declared. While the City has completed a substantial portion of the work to restore conditions to pre-flood, it is expected that remediation and mitigation efforts will continue into 2014 and beyond. Eligible costs are expected to be claimed through insurance and The Province of Alberta through the Disaster Recovery Program. The City has estimated the total cost of capital expenditures related to the flood to be approximately $445 million which includes repairs, replacements and mitigation strategies. In addition, The City incurred approximately $43 million for emergency operating and recovery costs. Refer to the 2013 Annual Report, Notes to the Consolidated Financial Statements for further financial information. From June 20th to July 4th, expenses were made and approved by the Director, Calgary Emergency Management Agency under the Municipal Emergency Plan. When SOLE ended, The City transitioned to normal operations. Financial authorities and procurement processes were communicated to Senior Managers and DeptID owners. Post SOLE and prior to report to Council, any single unbudgeted operating or capital expenditure that exceeded $200,000 required the approval of the respective General Manager, the Chief Financial Officer, and the City Manager prior to spending. A report was prepared for Council with estimated SOLE expenses itemized for Council's information, additional 2013 capital budget requests, and 2014 and future year estimates were provided for information. Separate coding was set up for emergency operating costs and capital flood budgets were set up on separate program and project numbers so that they could be tracked separately.	The City will continue to work with insurance providers and the Province of Alberta for recovery of flood related expenditures. The City will continue to assess asset impairment and disposals as a result of the flood.
Tone at the top: the importance an organization places on internal controls, including management philosophy, operating style,	The City has a strong commitment from Council through to senior management to ensure appropriate controls over financial reporting exist. Council and Administration maintain a commitment to strong ethical values to ensure accountability to citizens.	Management will continue to support the Integrated Risk Management (IRM) framework and internal controls over financial reporting to ensure The City has the ability to achieve its objectives. In particular, the City Manager's Office (CMO) will continue to support risk management and the implementation of the IRM policy (refer to Risk Assessment section below).

1. CONTROL ENVIRONMENT		
Description	Current Assessment	Further Actions Planned
integrity and ethical values	The Sustainable Environmental and Ethical Procurement Policy (SEEPP) was approved in principle in 2007. This policy makes The City a leader in sustainable procurement in North America by supporting the purchase of products and services that protect the environment and the welfare of workers, and represent the best value. In 2013, SEEPP evaluations were completed for 24 new contracts, within the 16 procurement categories currently selected for SEEPP implementation.	SEEPP is currently rolled out to 16 procurement areas chosen by the corporation for implementation. By the end of 2014, the policy will be expanded to 18 categories. Environmental Safety Management (ESM) has dedicated staff resources partnering with Supply for the SEEPP program expansion to support Supply Management in reaching their 2014 SEEPP target.
	In 2007, The City adopted a comprehensive Code of Conduct, which contributes to appropriate behaviours and effective controls. The Code is easily accessible on the CMO intranet, and is communicated to City employees using many methods. The City of Calgary Orientation (COCO; see below) program developed by Human Resources includes coverage of the Code of Conduct. Awareness reminders for the Code of Conduct and other programs are in place to guide employee behaviour and are sent to all employees on an annual basis. Human Resources, on behalf of the City Manager's Office presents an annual report to Audit Committee on the City's Code of Conduct activities.	Respective business units will continue to review and update their policies under the Code as required. The City Manager's Office will work with Human Resources to provide further education and information to employees to refresh their knowledge of the Respectful Workplace Policy. Corporate Security is working on a Workplace Violence Policy in consultation with the Law Department and Human Resources. Human Resources will continue to present the annual Code of Conduct Report to Audit Committee.
	The City's 2012 Annual Report received the Canadian Award for Financial Reporting from the Government Finance Officers Association (GFOA) in recognition of excellence in government accounting and financial reporting.	The City will apply for the 2013 award and will endeavour to ensure that all requirements are met.

CONTROL ENVIRONMENT ASSESSMENT (BASED ON THE COSO INTERNAL CONTROL – INTEGRATED FRAMEWORK)

1. CONTROL ENVIRONMENT		
Description	Current Assessment	Further Actions Planned
Organizational culture that promotes the importance of internal controls	The City's culture promotes an environment of strong financial management and strong controls. The tendency has been to err on the side of conservatism in financial management and reporting. Policies continue to be updated and created to support the control environment and guide staff actions. Administrative policies are centralized in the City Manager's Office (CMO) Administration Policy Library, which both stresses the importance of policies to the organization and allows easy access to those policies. Policies that became effective or were revised in 2013 include a new Employee Parking Policy, Payroll Administration Policy, Accounts Receivable Policies, and the Corporate Credit Card Policy.	On an on-going basis, documentation and evaluations of processes and internal controls will assist in stressing the importance of a strong control environment in The City. The CMO will continue to coordinate the effort to update all Administration policies across the Corporation. A series of internal control awareness sessions (internal controls, financial reporting, tangible capital assets, etc.) have been developed for CFOD staff and are available on myCity. Internal control awareness sessions are continually updated and provided to staff.
	The City has developed value concepts, such as "HEART", to help guide and support the application of ethical policies and practices on a daily basis. The City's "HEART" values are: • be **H**onest • pursue **E**xcellence • be **A**ccountable • be **R**esponsive, compassionate and fair • **T**reat others with respect HEART values have been identified within the project charter of the Corporate Culture Transformation project with the goal of further embedding these values in the Corporation.	Management will continue to emphasize the importance of these values in guiding and directing the day-to-day conduct of all employees.
	In 2011, the Mayor and Council unanimously agreed to create the program "Transforming Government" – reinforcing a culture of constant improvement at The City of Calgary. This program improves efficiency and effectiveness by promoting citizen-centric behaviour and focusing on the ways in which The City's actions today make Calgary a better place to live. Projects identified as Transforming Government are focused on transparency, accountability, civic engagement, innovation, citizen orientation, and sustainability. To date, 30 programs and initiatives have been awarded the Transforming Government seal, 8 programs were awarded in 2013.	Transforming Government Initiatives will continue in 2014.

1. CONTROL ENVIRONMENT		
Description	Current Assessment	Further Actions Planned
	The City implemented a Whistle-Blower Program in 2007, which is considered a best practice for promoting a strong control culture. The Audit Committee reviews the status of the Whistle-Blower Program on an annual basis. The Whistle-Blower Program includes a triage team comprised of staff from the City Auditor's Office, City Manager's Office, and Corporate Security that meet to review new reports and determine initial assessment strategies. The team provides advice and support to the City Auditor to ensure that all concerns and allegations are subject to an appropriate investigation and resolution. A Sensitive Report Investigation process exists where reporters can submit concerns that are directed at or cannot be objectively reviewed by the City Auditor and/or the Manager of the Whistle-Blower Program. These reports are directed to the Audit Committee Chair for review and action as necessary. In 2013, Council approved amendments to the Whistle-Blower Policy; the policy was revised to include Members of Council and Council staff.	The Whistle-Blower Program continues to be reviewed on an annual basis.
Organizational structure and assignment of authority and responsibility	The City's organizational structure is clearly defined and promotes accountability throughout the Corporation. All new DeptID owners receive an information package on their responsibilities and Learning for Municipal Excellence (LFME) courses are available on a variety of topics (see below for LFME).	Continued education and training for business unit process owners, Dept ID Owners and new staff is ongoing.
	The Enterprise Suite Program, which includes clear identification of DeptID and Process Owners, has further clarified authority and accountability and implemented it consistently across the organization. Enhancements have been taking place in accordance with the agreed work plan on an ongoing basis.	Enhancement of systems and processes are ongoing.

1. CONTROL ENVIRONMENT		
Description	Current Assessment	Further Actions Planned
	The City Manager and Chief Financial Officer (CFO) provide representations in the annual report in regard to how their responsibilities are discharged. As part of this process, they rely on the cascading representations made within each business unit by GMs, Directors, Finance Managers and Finance Leads. Individuals in business units have responsibility for those items that they should reasonably be aware of, given their position and responsibilities. A PowerPoint presentation and a Frequently Asked Questions (FAQs) document are provided to all those individuals required to sign management representation letters (MRLs) to ensure they fully understand their responsibilities and accountabilities when providing their representations. In addition this information has been posted on the Tangible Capital Assets (TCA) network. This ensures that all involved parties are making informed representations about the contents of the financial statements and are accountable for their accuracy.	Senior management across the organization will continue to take ownership of managing, monitoring and updating the risks and internal controls in their areas and acknowledge this responsibility when signing the annual management representation letters (MRLs).
	The multi-year budget and business plan process along with The City's Performance Management System has identified the accountabilities for achieving The City's strategies and plans. In November 2011, Council approved the 2012-2014 Business Plans and Budgets in accordance with the multi-year approach. This approach enables departments to develop plans and budgets that reflect current internal and external trends impacting The City while linking to long term strategies and plans. As part of the three-year business plan and budget cycle, the City has an annual Adjustments Process intended to respond to shifts in the internal and external environment requiring changes to multi-year business plans, budgets, and performance measures. In November 2013, adjustments were made to the 2014 Business Plans and Budgets as a result of the Adjustments Process.	All Departments have reported on their 2013 financial performance and their progress in achieving business plan strategies actions and performance measures. The 2013 year-end report will be presented to Council in April 2014. In April 2013, Council approved a modified 4-year budget cycle. The project to produce the 2015-2018 Business Plans and Budgets (Action Plan) commenced in September 2013 and is underway.

2. RISK ASSESSMENT		
Description	Current Assessment	Further Actions Planned
Objective setting at entity- and activity- level	The City has a structured objective setting process that flows from Council priorities and corporate goals to departmental business plans and budgets. The City has been internationally recognized by the Government Finance Officers Association (GFOA) for its multi-year business planning and budgeting. Council priorities and corporate goals continue to guide the implementation of departmental business plans, and were reflected in the 2012-2014 business plans and budgets. Council developed its Fiscal Plan for Calgary to guide the 2012-2014 business plans and budgets. The plans and budgets were re-designed to link all departments' outcomes and strategies back to Council's Fiscal Plan for Calgary, and these in turn drove all business unit actions.	
	In 2011, Council launched the "Cut Red Tape" initiative in order to find more effective and efficient ways to deliver services to the citizens of Calgary. The initiative has collected ideas from employees, citizens, and businesses that use City services. Many of those ideas have been implemented to save The City and citizens money and time. To date, this project and collaboration with City Administration has demonstrated savings of more than 33,000 hours, translating to over $1,000,000 in savings for our citizens and The City.	Ideas to "Cut Red Tape" continue to be analysed and implemented where possible. A high level two year plan for the future direction of the program was approved; the objective of the plan is to integrate the principles and best practices into the culture and normal business processes at The City.
	During 2011, Council approved a program of service reviews (Zero-Based Reviews) to thoroughly and rigorously examine City services on an ongoing basis. The pilot Zero-Based Review for Fleet Services was completed in 2012.	Zero-Based Reviews are underway in Parks, Roads, Water and Fire. The Parks and Roads Zero-Based Review Reports are scheduled to go to the Priorities and Finance Committee in June 2014 and September 2014, respectively.
	The City has developed and updated a 10-year Long-Range Financial Plan, including projections of operating and capital revenues and expenditures, and financial goals and strategies that will move the organization towards financial sustainability in the long-term. The 2012 to 2021 Long-Range Financial Plan was presented to Council on November 14, 2011.	An update of the Long Range Financial Plan projections will be presented to Council on 2014 May 5. An update of the complete Long Range Financial Plan will be presented to Council in the fall prior to the presentation of the 2015-2018 Business Plans and Budgets.

2. RISK ASSESSMENT

Description	Current Assessment	Further Actions Planned
	A challenge to achieving The City's objectives are a potential lack of people and financial resources, especially long-term funding for operations and infrastructure as well as turnover and retirement of staff in key positions and areas. The City has instituted a Corporate Workforce Strategy to mitigate risks related to the attraction and retention of staff. The Corporate Workforce Strategy includes plans and projects for Recruiting and Outreach, Diversity and Inclusion, Workforce Planning and Leadership Development, Performance Management, Career Development and Mentorship. Reporting and analysis on staff demographics (including potential retirements in key positions) is taking place.	The City will continue to promote from within as well as attract new staff to ensure that resource needs continue to be met, as well as maintaining its commitment to relevant professional development and certification of staff. The City's knowledge and succession management planning will continue and is ongoing. Corporate Workforce Strategy action plans to address short, medium and long-term staff attraction and retention challenges will continue to be implemented through the 2012-2014 business cycle. Human Resources will continue to implement the three year Diversity & Inclusion action plan including the development of a Workforce Diversity Census.
	The City has implemented a mentorship program to attract and retain professional personnel. In addition to the existence of corporate-level guidance on mentorship, multiple departments have initiated internal mentorship programs. An on-line toolkit was developed for business unit support. Human Resources partners with the Calgary Region Immigrant Employment Council to support City employees acting as mentors to help culturally integrate internationally trained professionals.	Human Resources will continue to support business unit initiatives where mentorship programs are underway and identify further gaps where Corporate support is needed.
	HR-Corporate Talent Acquisition and Planning (CTAP) assists the business units in dealing with anticipated shortages in labour supply and demographic challenges by leveraging workforce planning and employing a proactive talent sourcing strategy that includes an aggressive social media and marketing component. In 2013, HR utilized LinkedIn for employee referrals and tapping into follower networks to source candidates for hard-to-fill and key positions.	Human Resources continues to explore innovative, cost-efficient and effective ways to recruit and source candidates.

2. RISK ASSESSMENT

Description	Current Assessment	Further Actions Planned
Risk assessment profile: to determine the highest risk areas or processes that could impair the organization's ability to achieve its objectives	The City Manager is responsible for overseeing activities within Administration related to Council's Integrated Risk Management (IRM) policy. This ensures that there is a systematic approach to risk identification and mitigation across the organization. As part of the policy, all presentations to Council or Committees must include disclosure of significant risks, with alternatives presented, and the recommended course of action, if applicable. The City Manager presents an annual Corporate Risk Report to Audit Committee. The IRM model and framework have been assessed using current CSA/ISO Standards and continue to reflect best practice. Information Technology (IT) presents an annual Information Technology Risk Management Report to Audit Committee. Risk management and controls for the use of information technology are the responsibility of all levels in the organization. Jointly, IT and departments manage security risks through setting and monitoring Corporate policies.	The City Manager will continue to present the annual Corporate Risk Report to the Audit committee. An update of the Learning for Municipal Excellence (LFME) IRM educational module will be completed and implemented in 2014. Information Technology will continue to present the annual Information Technology Risk Management Report to Audit Committee.
	An LFME IRM module is available to all employees to take to enhance their knowledge and understanding of The City's approach to effective risk management. IRM offers "Deliver to your Doorstep" seminars to help business units with the identification of risk as well as one-on-one meetings with business units who require additional assistance. In 2013, IRM presented 5 half day LFME group seminars and facilitated an additional 23 special purpose workshops for business units and project initiative working groups throughout The City.	Employees will continue to enhance their knowledge and skills in risk management. IRM will continue to offer services to business units to assist them in identifying and updating their risks on an annual basis. In 2014, IRM will provide “To your Doorstep” workshops to assist individual business units to develop their own Risk Registers.

2. RISK ASSESSMENT

Description	Current Assessment	Further Actions Planned
	Risk management was embedded into the 2012-2014 business plans and risks to the business plans are monitored on a regular basis. The Administrative Leadership Team (ALT) requires that an updated risk register be maintained at each department level which will be reviewed annually, at a minimum. Each department has developed a risk profile identifying their objectives and the risks to achieving those objectives. Updated Departmental Risk Registers were submitted for review and consolidation by IRM. Selected risk information was reviewed by ALT and formed the primary information basis for populating the Corporate Risk Register and the City Manager's Annual Risk Report to Council.	Consideration of risk to the achievement of objectives, strategies, and actions in the 2015-2018 Action Plan is embedded within the process for developing the Action Plan. Output from this process will be the 2015-2018 Departmental and Corporate Risk Register. Information on significant risk to achievement of Council priorities will be submitted as part of the 2015-2018 Business Plan and Budget submission to Council.
	The City maintains financial reserves to protect The City's operations from year to year fluctuations and accommodate unique funding needs as they arise. Reserve balances are accurately recorded in accordance with GAAP on The City's financial statements. Reserves are reviewed on a triennial basis. The review has four main purposes: for each reviewed reserve, it ensures that reserve activity meets all authorizing document requirements, that its transactions are in accordance with Administration's reserve policies and procedures, that the reserve is still relevant in terms of its terms, conditions and restrictions, and that it is still required. In 2013, the last third of three trenches of reserves underwent a triennial review process. The Triennial Reserves Review Report was presented to the Priorities and Finance Committee in December 2013.	The City will continue to review every open reserve at least once every three years.

3. CONTROL ACTIVITIES

Description	Current Assessment	Further Actions Planned
Appropriate policies and procedures, approvals, authorizations, reconciliations, verification, reviews, physical security, segregation of duties, etc.	The culture regarding controls at The City has evolved over time. The basic control activities (such as authorization procedures and segregation of duties) are well established and have been continually updated and improved as business processes have changed or issues have come to light. Policies are continually updated and are posted on the CMO's Administration policy library (refer to Control Environment section above for administration policies that became effective or were revised in 2013). The PeopleSoft Finance and Supply Chain Management Module (FSCM) 9.1 upgrade went live January 29, 2013. New system functionality implemented to enhance controls includes: Journal Approvals (as recommended by The City's External Auditors), Procurement Work Flow Approvals, eBill Payment Module, General Ledger Allocations functionality, and Accounts Payable Voucher Spreadsheet Upload functionality. In addition, interfaces for Work Order integration to Operational Asset Management Systems are progressing. Along with the upgrade, there will be improved integration between PeopleSoft modules such as PeopleSoft Asset Management (PSAM) and Project Costing. The Project Costing pilot program was completed in early 2014 and an implementation plan is being developed. Along with the upgrade, there will be improved integration between PeopleSoft modules such as PeopleSoft Asset Management (PSAM) and Project Costing. The Project Costing pilot program was completed in early 2014. The implementation of a new custodian and Treasury Management system upgrade supports stronger controls and enhanced analytical and reporting capabilities. Council approved and updated The City's Investment Policy in 2013.	Management will continue to ensure that controls, policies and procedures are in place and are functioning effectively. The policies and controls will also be re-evaluated and documented as business processes change. Policies will be reviewed at regular intervals to ensure that information remains current. Additional functionality of the Enterprise Suite Program will be rolled-out throughout 2014/2015. Resource availability was negatively impacted as a result of the 2013 flood event. The 2013 Annual Investment Report will be presented to Audit Committee in April 2014.

3. CONTROL ACTIVITIES		
Description	Current Assessment	Further Actions Planned
	The City has completed Tangible Capital Asset (TCA) calculations in accordance with new PSAB standards (PS3150), effective fiscal year 2009. These PSAB changes represent one of the most significant modifications to municipal accounting standards in the last 100 years. PSAB requires that municipalities recognize and amortize tangible capital assets in the financial statements, which improves transparency, contributes to good asset management practices and provides decision making information to stakeholders. Business unit management is responsible for signing-off on the recording of TCA. Where appropriate, additional controls have been put in place, including manual reliability tests of the data and reasonability tests of the value of the TCA (which are performed by the audit team and by operations staff). In 2013, as a result of continued usage and refinement of capital asset accounting and management systems, certain asset balances were identified that required correction resulting in approximately $14.9M in net adjustments restated for 2012. These restated amounts relate solely to the accounting for TCA and had no effect on The City's cash balances, net financial asset position, property tax revenues or any other balances influencing The City's operating budget, capital budget, grants received, property tax assessments or any other related balances. Refer to Note 29 in the Notes to the Consolidated Financial Statements for further details. The City conducted an in-depth analysis of the errors to understand root causes and communicated these to the External Auditors. Compounding the TCA challenges was the additional high level flood related capital projects during the last four months of 2013. The City is developing a plan to improve TCA financial reporting.	Administration is committed to continuous improvement in TCA. A plan is being developed to improve TCA financial reporting.
	The Supply procurement policies reflect The City's interprovincial trade obligations with respect to NWPTA and the Agreement on Internal Trade (AIT). In 2013, Supply approved and rolled-out procurement standard operating procedures and implemented a standard Request for Proposal template and standard Request for Proposal Construction template. Supply has established a Performance Quality Management Team that runs monthly and quarterly reports and performs quality reviews of procurement files.	Supply will review the Procurement Policy Suite, develop new Inventory Management Policies and Procedures, and create a new Construction under $200,000 Policy and Procedures.

3. CONTROL ACTIVITIES

Description	Current Assessment	Further Actions Planned
	As a merchant who accepts credit card payments from the public for the purchase of specified goods and services, The City was required to implement the world wide Payment (credit) Card Industry Data Security Standards (PCI-DSS) in 2011. These standards are intended to ensure The City is applying industry best practices to ensure that our customers' credit card information obtained during routine transactions remains secure at all times. All City staff who handle credit cards from the public, receive training and have acknowledged that they have read and understood the PCI policy. Given several recent credit card breaches at major retailers particularly in the U.S., The City is constantly vigilant to protect our citizens' and businesses' credit card data and thus protect the integrity, reputation, and financial resources of The City. ELearning was successfully rolled out to all business units that process credit cards payments. Over 800 employees have successfully taken the eLearning for Secure Credit Card handling. The City successfully completed its annual PCI compliance audit in 2013. The City first achieved its inaugural PCI Compliance in 2011 and every year since. An audit is undertaken each year by a third party external PCI auditor retained by The City. The City again passed its 2013 audit and received compliance certification in December 2013.	Monitoring of PCI compliance will continue through 2014 and beyond. PCI compliance audits will be undertaken each year. Secure Credit Card handling eLearning continues to be made available to all employees. In 2015, the City will be adopting and implementing the new PCI-DSS security requirements that were introduced in Q1, 2014.
	The corporate credit card has strong controls and is an efficient and effective method of making low dollar purchases. All cardholders take mandatory training to ensure that they understand their responsibilities as well as the applicable policies and procedures. The Corporate Credit Card Administration Policy and Supporting Procedures were updated in 2013. In addition, corporate credit card online training was developed and rolled-out in early 2014.	The Corporate Credit Card Policy, Supporting Procedures, processes and training will continue to be updated as required.

4. INFORMATION & COMMUNICATION

Description	Current Assessment	Further Actions Planned
The right amount of information to the right people at the right time on the entity's performance relative to established objectives	The City has a structured and regular method of reporting financial information that provides Council and Management with the appropriate level of information on a timely basis. This information is linked to the objectives and therefore is used to assess organizational performance. In 2013, all IRM Guides, Templates, and Tools were rewritten and updated. All updated material is available on the IRM website.	Administration will ensure that Management and Council continue to receive the necessary reports and information to make decisions. In early 2014, IRM held a session presenting updated and expanded information on the discussion and reporting of risk in support of report recommendations made to ALT and Council. An additional risk-focused session will be offered in 2014. A "How-To Talk about Risk Guide" specifically for Report Writers will be completed in 2014.
Effectiveness with which employees' duties and control responsibilities are communicated	Learning for Municipal Excellence (LFME) is an initiative to educate DeptID Owners on their responsibilities and how these are to be discharged in various areas. Currently, there are 21 modules available in the following five areas: financial management, people management, supply management, business management, and project management. The LFME Program includes the delivery of leadership development programs in addition to its 21 city-specific modules. In 2013, the LFME Program expanded to deliver Individual Contributor Development Series to provide non-supervisory staff with an opportunity to take developmental courses. In addition, a Director's program pilot was completed and is currently provided on an 'on-demand' basis.	Management will continue to encourage DeptID Owners in their areas to take the applicable LFME modules. Human Resources will continue to partner with business units to expand the program and include new streams and modules as appropriate for DeptID owner training and development.
	The City Manager's Office Administration Policy Library on the myCity intranet site is a central repository for all current City administration policies. This allows City staff to access this information in a convenient format from anywhere in The City that computer access is available, as well as through the Citrix system. Non-wired employees and the general public can access the Administration Policy Library through www.calgary.ca.	The CMO will continue to coordinate the effort to ensure all policies are updated and accessible to all employees across the Corporation.

4. INFORMATION & COMMUNICATION

Description	Current Assessment	Further Actions Planned
	During the 2012-2014 Business Plan and Budget process the citizens of Calgary were invited to participate in discussions to identify their priorities for the City. Approximately 23,000 people participated in this process. Citizen engagement on proposed Adjustments to the 2014 Business Plans and Budgets were obtained primarily through online citizen feedback.	Citizen engagement for the 2015-2018 Business Plans and Budgets (Action Plan) has commenced and includes: • Website launched February 2014 • A citizen ideation session • Web-based engagement from March 2014, including an engagement bus that will visit a number of events around The City
	The City's intranet is used effectively to communicate control information. The "myCity" website provides an easily accessible location for City staff to review corporate policies. Business units have also updated their profiles and have frequently asked questions addressed on their web pages. Weekly electronic newsletters, such as Take Five, provide timely reminders on key issues.	
	The City of Calgary Orientation (COCO) program was launched in November 2009 for new employees. COCO is available online or in a classroom setting and is presented in six themes: Who We Are; What We Do; How We Work; What We Give; What you Give; and Finding Your Way. The modules offer a comprehensive view of The City to new employees including the key elements that govern our actions including the Code of Conduct.	COCO continues to be updated and provided to staff new to The City at regular intervals.
Establishment of channels of communication for people to report suspected improprieties	Council implemented the Whistle-Blower Policy in 2007; and the corresponding program, where employees, the public or anyone who does business with The City can report waste and/or wrongdoing through a variety of mechanisms. In 2013, Council approved amendments to the Whistle-Blower Policy; the policy was revised to include Members of Council and Council staff. The Whistle-Blower policy and program were communicated to staff and the public. Information on the program can be found on The City's website. Under Council Policy CC026, the City Auditor is required to report annually to the Audit Committee on the status of the activities of the program.	The City Auditor's Office will continue to monitor the program, and provide updates to the Audit Committee.
	The City of Calgary's Code of Conduct Policy and the Respectful Workplace Policy consist of a series of guidelines and responsibilities that outline appropriate and inappropriate behaviours and actions for employees to exercise in their normal course of duties and in situations where disagreement or conflict has occurred. They also include the appropriate course of action to take for communicating and reporting any actual or suspected violation of these policies.	The City Manager's Office will work with Human Resources to provide further education and information to employees to refresh their knowledge of the Respectful Workplace Policy.

5. MONITORING

Description	Current Assessment	Further Actions Planned
Ongoing monitoring occurs in the ordinary course of operations, and includes regular management and supervisory activities, and other actions personnel take in performing their duties that assess the quality of internal control system performance	The City benefits from reviews of various financial information at all levels of the Corporation. In addition, monthly reviews by management of comparisons of financial results to budget numbers and the preparation of Executive Information Reports (EIRs) at the business unit level help ensure that The City remains on track with its established financial objectives. Mid-year and year-end accountability reports to Council have been implemented as part of the Multi-year Business Plan and Budget process. Further, reviews of system generated exception reports in many business units also ensure regular monitoring of financial information.	Monthly EIR reviews are ongoing. Mid-year and year-end accountability reports in addition to capital and operating budget revision reports prepared for Council approval. The City will continue to provide the necessary and appropriate resources and control mechanisms to ensure continued strong internal controls over financial reporting. In an organization with limited resources, allocation of those resources to the most sensitive areas is critical. Management will continually monitor risks and the effectiveness of the related internal controls and take appropriate action where necessary.
	The City's internal audit function carried out by the City Auditor's Office provides independent assurance on finance and control practices within the audit areas described in the approved annual audit plan. Management is required to provide responses to the internal audit recommendations and to implement the required changes. Follow-up audits are also conducted bi-annually. In 2013, the City Auditor's Office closed 77 of the 110 outstanding recommendations due on or before April 30, 2013.	Management will continue to track and address the recommendations of all internal audits.
	The annual external audit provides additional feedback on the Corporation's system of internal controls through a Management Letter.	The annual external audit will continue to provide feedback on the effectiveness of The City's internal controls over financial reporting through the Management Letter process.
	Finance & Supply oversees the control activities that maintain the reliability and integrity of the financial reporting process.	Management of Finance & Supply will continue to oversee the internal controls over financial reporting as well as other internal control and risk management activities.

5. MONITORING

Description	Current Assessment	Further Actions Planned
	A Certificate of Recognition (COR) is awarded to employers who develop and maintain a health and safety management system that meets the standards established by the Alberta Partnerships in Injury Reduction (PIR) program. In 2013, The City underwent a corporate Certificate of Recognition (COR) audit and successfully maintained our certification with a score of 89%. The COR certificate was issued to The City on September 6, 2013 by our Certifying Partner, Alberta Municipal Health and Safety Association (AMHSA). Our COR certification is valid for three years until 2016 and will require an external audit be conducted in the expiry year of 2016.	The external independent audit team identified areas of improvement as well as areas of excellence. The City is in the process of developing an Action Plan to address the findings identified during the audit.